

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.

v. : Criminal No. 03-

JOSEPH BARRY and : 18 U.S.C. §§ 371, 666, 1341,  
PAUL J. BYRNE : 1343, 1346, 1951 and 2;  
26 U.S.C. § 7201

I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,  
sitting at Newark, charges:

COUNTS ONE TO FIVE

(Mail Fraud - Scheme and Artifice to Defraud the Public of the  
Hudson County Executive's Honest Services)

Defendants and Co-Schemer

1. At all times relevant to Counts One to Five of  
this Indictment:

(a) Defendant JOSEPH BARRY was the President and  
a principal of Applied Development Company, a real estate  
development firm located at 5 Marineview Plaza, Hoboken, New  
Jersey, and related entities (hereinafter, the "Applied  
Companies"). Defendant BARRY has supervised, managed and/or  
overseen the development by the Applied Companies of numerous  
large-scale commercial and residential real estate projects along  
the Hudson River and elsewhere in New Jersey.

(b) Defendant PAUL J. BYRNE has represented himself to be a consultant for persons and companies seeking governmental contracts and/or funding benefits from, among others, the government of Hudson County, New Jersey. Defendant BYRNE did not hold any official position with the Hudson County government, but was a long-time associate of and political advisor to then-Hudson County Executive Robert C. Janiszewski.

(c) From in or about January 1988 to in or about August 2001, Robert C. Janiszewski served as the Hudson County Executive (hereinafter, "County Executive"), functioning as the head of the executive branch of the Hudson County, New Jersey government and the County's highest ranking government official. Janiszewski was first elected to a four-year term as County Executive in November 1987 and took office in January 1988. Janiszewski was re-elected to additional four-year terms in 1991, 1995 and 1999. In or about November 2000, Janiszewski began cooperating with federal law enforcement authorities. Janiszewski's cooperation included participating in audio- and video-recorded meetings with defendants JOSEPH BARRY and PAUL J. BYRNE.

#### The Applied Companies' Real Estate Development Projects

2. At all times relevant to Counts One to Five of this Indictment:

(a) The Hoboken Shipyard Retail Development Project was a real estate project undertaken by the Applied Companies which involved the construction of a mixed-use retail and residential development comprising approximately forty-five acres of land and water (hereinafter, the "Shipyard Project"). Located in Hoboken, New Jersey, the Shipyard Project was bounded by 12th Street, 16th Street and the Hudson River.

(b) The "Waterfront Walkway," located in Hoboken, New Jersey, was a real estate project undertaken by the Applied Companies which involved the construction of a publicly accessible pedestrian walkway along the Hudson River, adjacent to the Shipyard Project (hereinafter, the "Walkway Project").

(c) The "12th-14th Street Extension" project was a project undertaken by the Applied Companies which involved the construction of an additional roadway to extend 12th and 14th Streets in Hoboken to the Hudson River to provide public access to the Waterfront Walkway and the Shipyard Project (hereinafter, the "12th-14th Street Project").

(d) The "15th Street Extension" was a project undertaken by the Applied Companies which involved the construction of an additional roadway to extend 15th Street in Hoboken to the Hudson River to provide public access to the Waterfront Walkway and the Shipyard Project (hereinafter, the "15th Street Project").

(e) The "Caven Point Road Project" was a real estate development project undertaken by the Applied Companies which involved the proposed completion and realignment of Route 185, a New Jersey state highway, to facilitate the construction and development of a golf course developed by the Applied Companies in Jersey City, New Jersey (hereinafter, the "Caven Point Project")(hereinafter, collectively, the "Applied Projects").

#### Public Funding Benefits

3. The Applied Companies, through defendant JOSEPH BARRY, have sought and/or received the following public funding benefits with the assistance of Robert C. Janiszewski and the Hudson County government and/or Hudson County governmental agencies in connection with the Applied Projects in Hoboken, New Jersey:

(a) In or about November 1995, the Hudson County Improvement Authority and the Hudson Transportation Management Association submitted an application on behalf of the Applied Companies for funding under the Transportation Enhancement Program (hereinafter, the "TEP application"), a federally-funded program created by the Federal Intermodal Surface Transportation Efficiency Act (hereinafter, "ISTEA") which encourages activities that enhance the nation's transportation systems. In or about

1999, the TEP application was granted, and the Hudson County government, on behalf of the Applied Companies, was authorized to receive federal funds totaling approximately \$1,036,257 to finance the continued construction and development of the Walkway Project (hereinafter, the "ISTEA funding benefit"). The Applied Companies have received approximately \$968,897.86 of these grant funds.

(b) In or about March 1998, Hudson County's Division of Housing and Community Development submitted to the United States Department of Housing and Urban Development (hereinafter, "HUD") a Section 108 Loan Guarantee application on behalf of the Shipyard Project. In or about July 1998, HUD authorized the Shipyard Project to receive approximately \$6,690,000 in Section 108 Loan Guarantee assistance to facilitate the Applied Companies' continued construction and development of the Shipyard Project (hereinafter, the "Section 108 funding benefit"). As of August 2001, the Applied Companies had received approximately \$5,490,272 of these loan funds.

(c) In or about June 1995, HUD awarded to the Hudson County government an Economic Development Initiative grant in the amount of \$1,000,000 (hereinafter, "EDI grant funds"), to be used in connection with a Section 108 Loan Guarantee Assistance application to encourage economic development activities in Hudson County. HUD originally earmarked the EDI

grant funds for use in a proposed hotel project in Jersey City, New Jersey (the "hotel project"). In or about August 1998, Robert C. Janiszewski, then County Executive, requested that the EDI grant funds be transferred from the hotel project, which did not proceed with Section 108 financing, to an already approved Section 108 Loan Guarantee Application for the Shipyard Project. In or about November 1999, the Hudson County Board of Chosen Freeholders adopted a resolution authorizing the Shipyard Project to receive the EDI grant funds to support its Section 108 Loan, and to aid the Applied Companies in financing the continued construction and development of the Shipyard Project (hereinafter, the "EDI funding benefit"). The Applied Companies have received approximately \$1,000,000 in EDI grant funds.

(d) In or about 1995 and 1996, the Local Aid Division of the New Jersey Department of Transportation (hereinafter, the "NJDOT") allocated to the Hudson County Department of Engineering approximately \$1,064,803 in grant funds to finance the construction and development of the 12th-14th Street Project (hereinafter, the "12th-14th Street funding benefit").

(e) In or about 1999, the Local Aid Division of the NJDOT allocated to the Hudson County Department of Engineering approximately \$365,000 in grant funds to finance the construction and development of the 15th Street Project

(hereinafter, the "15th Street funding benefit"). (The funding benefits described in Paragraphs 3(a) through (e) are hereinafter collectively referred to as "funding benefits").

The Public's Right to, and County Executive's Duty of, Honest Services

4. At all times relevant to Counts One to Five of this Indictment, the County of Hudson and its citizens had an intangible right to the honest services of their public officials. As a public official for the County of Hudson, Robert C. Janiszewski, as County Executive, owed the County and its citizens a duty to: (A) refrain from receiving corrupt payments designed to (i) improperly affect the performance of official duties; or (ii) coax favorable official action or inaction; and (B) disclose conflicts of interest and other material information in matters over which he exercised favorable official action and discretion that resulted in his direct or indirect personal gain.

The Scheme

5. From in or about 1995 to in or about August 2001, in Hudson County, in the District of New Jersey, and elsewhere, defendants

JOSEPH BARRY  
and PAUL J. BYRNE

and others did knowingly and willfully devise and intend to devise a scheme and artifice to defraud the County of Hudson and its citizens of the right to then-County Executive Robert C. Janiszewski's honest services by means of materially false and fraudulent pretenses, representations, and promises.

#### The Object of the Scheme

6. The object of the scheme was for defendants JOSEPH BARRY and PAUL J. BYRNE to offer and give corrupt cash payments to Robert C. Janiszewski, the County Executive, in exchange for Janiszewski's favorable official action, support and assistance in securing funding benefits for the Applied Projects and to intentionally conceal from the County of Hudson and its citizens material information -- namely, the giving of these corrupt payments to Janiszewski.

#### The Manner and Means of the Scheme

7. It was a part of the scheme and artifice to defraud that:

(a) In or about 1996, defendant PAUL J. BYRNE became a purported "consultant" to defendant JOSEPH BARRY and the Applied Companies to aid defendant BARRY in soliciting the official action, support and assistance of Robert C. Janiszewski



in connection with the construction and development of the Applied Projects in and around Hudson County, New Jersey.

(b) From in or about 1996 to in or about August, 2001, defendants JOSEPH BARRY and PAUL J. BYRNE offered and gave corrupt cash payments to Robert C. Janiszewski in return for the official action, support and assistance of Janiszewski in securing funding benefits for the Applied Projects in and around Hudson County, New Jersey.

(c) Defendants JOSEPH BARRY and PAUL J. BYRNE paid Robert C. Janiszewski in cash so as not to create an audit trail for the corrupt payments, thereby concealing same.

(d) Defendant PAUL J. BYRNE, a long-time associate of and political advisor to Robert C. Janiszewski, acted as an intermediary in passing several corrupt cash payments from defendant JOSEPH BARRY to Janiszewski in return for Janiszewski's official action, support and assistance in securing funding benefits for the Applied Projects in and around Hudson County, New Jersey, in an attempt to conceal the link between defendant BARRY and Janiszewski with respect to some of the payments.

(e) Defendant JOSEPH BARRY caused the Applied Companies to make purported "consulting" payments to defendant PAUL J. BYRNE by check, knowing that (i) defendant BYRNE was passing along a portion of those funds to Robert C. Janiszewski

in cash as corrupt payments for the benefit of defendant BARRY; and (ii) defendant BYRNE was keeping a portion of the funds for himself as compensation for his role as intermediary in the scheme.

(f) In or about 2000, defendant JOSEPH BARRY advised Robert C. Janiszewski that BARRY preferred to make the payments to Janiszewski directly rather than through defendant PAUL J. BYRNE.

(g) In or about 2000, defendant JOSEPH BARRY made two corrupt cash payments directly to Robert C. Janiszewski, totaling tens of thousands of dollars, in return for Janiszewski's official action, support and assistance in securing funding benefits for the Applied Projects.

(h) On or about January 23, 2001, defendant JOSEPH BARRY met with Robert C. Janiszewski at Janiszewski's residence in New Jersey, during which recorded meeting defendant BARRY made a corrupt cash payment directly to Janiszewski, totaling approximately \$30,000.

(i) Defendant JOSEPH BARRY continued to make corrupt payments to defendant PAUL J. BYRNE on a regular basis, notwithstanding defendant BARRY's expressed preference to make payments directly to Robert C. Janiszewski. On or about February 6, 2001, defendant JOSEPH BARRY met with Janiszewski inside Janiszewski's vehicle while en route to a restaurant. During

this recorded meeting, defendant BARRY discussed making corrupt payments to defendant BYRNE and to Janiszewski, and informed Janiszewski that defendant BYRNE was "getting way ahead" in terms of payments that BYRNE had received from BARRY.

(j) On or about March 16, 2001, defendant JOSEPH BARRY accompanied Robert C. Janiszewski to lunch at a restaurant in Hudson County, New Jersey and engaged in another recorded conversation. During the conversation, in an effort to conceal the criminal nature of the conversation, defendant BARRY referred to previous payments as "steps" taken, and reviewed with Janiszewski the "steps" for which defendant PAUL J. BYRNE acted as an intermediary, and the "steps" for which defendant BARRY dealt directly with Janiszewski. After the luncheon meeting, before exiting Janiszewski's vehicle in front of the offices of the Applied Companies in Hoboken, New Jersey, defendant BARRY made a corrupt cash payment directly to Janiszewski, totaling approximately \$15,000.

(k) During the meeting on or about March 16, 2001, and again during a meeting with Robert C. Janiszewski on July 18, 2001, defendant JOSEPH BARRY discussed with Janiszewski additional corrupt payments to be made in connection with the 15th Street Project and/or the Caven Point Project, which corrupt payments had not yet been assigned a specific monetary amount.

(l) On or about April 12, 2001, defendant JOSEPH BARRY met with Robert C. Janiszewski inside Janiszewski's vehicle in Hudson County, New Jersey, during which recorded meeting defendant BARRY made a corrupt cash payment to Janiszewski, totaling approximately \$14,900.

(m) On or about July 18, 2001, defendant JOSEPH BARRY met with Robert C. Janiszewski at the offices of the Applied Companies, during which recorded meeting defendant BARRY made a corrupt cash payment directly to Robert C. Janiszewski, totaling approximately \$25,000.

(n) Rather than formally record such payments, but to keep covert track of the corrupt-payment arrangement among defendants JOSEPH BARRY, PAUL J. BYRNE and Robert C. Janiszewski, defendant BARRY maintained handwritten notes which reflected the dates and amounts of corrupt payments made or to be made by defendant BARRY to Janiszewski and defendant BYRNE (hereinafter, the "payment sheet"), including the approximate dates and amounts of the recorded payments made directly from defendant BARRY to Janiszewski on or about January 23, 2001, March 16, 2001, April 12, 2001 and July 18, 2001, as detailed in Paragraphs 7(h), 7(j), 7(l) and 7(m), above. On several occasions, defendant BARRY discussed with Janiszewski the contents of the payment sheet. The payment sheet included, in addition to notations of dates and amounts of corrupt payments made, among other things, notations

regarding the funding benefits in connection with which the corrupt payments were made, including:

(i) "ICE T," a reference to funds received or to be received by the Applied Companies under the federal Intermodal Surface Transportation Efficiency Act (previously defined in Paragraph 3(a) as the "ISTEA funding benefit");

(ii) "EDI," a reference to federal funds received or to be received by the Applied Companies through the Hudson County government under HUD's "Economic Development Initiative" (previously defined in Paragraph 3(c) as the "EDI funding benefit");

(iii) "108," a reference to a Community Development Block Grant, commonly referred to as "Section 108," which constituted a low-interest HUD loan obtained or to be obtained by the Applied Companies through the Hudson County government (previously defined in Paragraph 3(b) as the "Section 108 funding benefit"); and

(iv) "12-14th," a reference to funds received or to be received by the Hudson County government for use in connection with building a "loop" road extending 12th Street and 14th Street in Hoboken, New Jersey, which would benefit the Shipyard Project (previously defined in Paragraph 3(d) as the "12th-14th Street funding benefit").

(o) On or about July 18, 2001, defendant JOSEPH BARRY met with Robert C. Janiszewski at the offices of the Applied Companies, during which recorded meeting BARRY confirmed that he still made payments to defendant PAUL J. BYRNE, and indicated that he was still "keeping [BYRNE] happy."

(p) On or about August 2, 2001, defendant PAUL J. BYRNE met with Robert C. Janiszewski at BYRNE's residence in Jersey City, New Jersey. During that recorded meeting, defendant BYRNE advised Janiszewski, among other things, that (i) defendant JOSEPH BARRY owed him money and BYRNE believed defendant BARRY had "shorted" BYRNE and Janiszewski, an apparent reference to a failure by BARRY to pay BYRNE and Janiszewski as agreed; and (ii) defendant BYRNE had identified an additional approximately \$1 million in public funding which could be made available to the Applied Companies for use in connection with the Caven Point Project.

(q) Defendant PAUL J. BYRNE concealed and attempted to conceal the scheme and artifice to defraud and his receipt of money by deliberately omitting the corrupt payments from tax documents filed with governmental authorities and/or failing to file tax returns with governmental authorities.

8. On or about the dates set forth below, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendants JOSEPH BARRY, PAUL J. BYRNE and

others knowingly and willfully placed and caused to be placed in a post office and authorized depository for mail, and caused to be delivered by mail according to the directions thereon, certain matter and things, to be delivered by the United States Postal Service and deposited and caused to be deposited and sent and delivered by private and commercial interstate carriers, and took and received therefrom certain matter and things, and transmitted and caused to be transmitted in interstate commerce by means of wire communications certain signs, signals and sounds, as described below:

Count	Date	Description of Mailing/Wire
One	On or about June 1, 1999	Letter mailed from Robert C. Janiszewski of the Office of the County Executive in Jersey City, New Jersey, to HUD representative in Washington, D.C., revising Janiszewski's previous request to transfer the EDI grant funds to the Shipyard Project
Two	On or about August 19, 1999	Letter mailed from Assistant Secretary for Community Planning and Development of HUD in Washington, D.C. to Robert C. Janiszewski in Jersey City, New Jersey, advising that Janiszewski's request to transfer the EDI grant funds to the Shipyard Project had been approved

Count	Date	Description of Mailing/Wire
Three	On or about February 16, 2000	Letter mailed from General Counsel of the Hudson County Improvement Authority to the Principal Engineer of the NJDOT in Newark, New Jersey, enclosing four original agreements regarding the Waterfront Walkway and the ISTEA grant funds
Four	On or about February 25, 2000	Letter mailed from Robert C. Janiszewski of the Office of the County Executive in Jersey City, New Jersey and County Administrator & Director of Finance & Administration to HUD representative in Washington, D.C. requesting a transfer of funds in connection with the Section 108 funding benefit
Five	From in or about August 1999 to in or about August 2001	Approximately six interstate wire transmissions of funds obtained pursuant to the HUD Section 108 loan guarantee assistance program for the Shipyard Project from an out-of-state bank account to a Hudson County government bank account in Jersey City, New Jersey

In violation of Title 18, United States Code, Sections 1341, 1343, 1346 and 2.



COUNT SIX

(Conspiracy to Offer and Give Corrupt Payments)

1. Paragraphs 1 through 3 and 7 of Counts One through Five are realleged and incorporated as if fully set forth herein.

2. At all times relevant to Count Six of this Indictment:

(a) The County of Hudson received federal assistance well in excess of \$10,000 per year.

(b) Robert C. Janiszewski, as County Executive, was in a position to, and did, influence the receipt, acceptance and administration of federal funds allocated to Hudson County.

The Conspiracy

3. From in or about 1995 to in or about August 2001, in Hudson County, in the District of New Jersey, and elsewhere, defendants

JOSEPH BARRY and  
PAUL J. BYRNE

did knowingly and willfully conspire, combine, confederate and agree with one another and with others to corruptly give and offer to Robert C. Janiszewski, then County Executive, cash payments totaling in excess of \$100,000, intending to influence and reward Janiszewski in connection with businesses,

transactions and series of transactions of the Hudson County government involving things of value of \$5,000 or more in matters implicating federal interests, contrary to Title 18, United States Code, Section 666(a)(2).

#### The Object of the Conspiracy

4. The object of the conspiracy was for defendants JOSEPH BARRY and PAUL J. BYRNE to offer and give corrupt cash payments to Robert C. Janiszewski, then County Executive, in exchange for Janiszewski's official action, support and assistance in securing funding benefits involving federal funds for the Applied Projects in and around Hudson County, New Jersey.

#### Overt Acts

5. In furtherance of the conspiracy and in order to effect the object thereof, on or about the dates specified below, defendants JOSEPH BARRY and PAUL J. BYRNE committed the following overt acts in the District of New Jersey and elsewhere:

Act	Date	Location	Overt Act
a.	On or about June 9, 1999	Hudson County, New Jersey	Defendant PAUL J. BYRNE negotiated a \$20,000 check from Shipyard Associates, L.P. as a corrupt payment and in compensation in part for BYRNE's services as an intermediary in passing corrupt cash payments from defendant JOSEPH BARRY to Robert C. Janiszewski
b.	On or about November 2, 1999	Hudson County, New Jersey	Defendant PAUL J. BYRNE negotiated a \$15,000 check from Shipyard Associates, L.P. as a corrupt payment and in compensation in part for BYRNE's services as an intermediary in passing corrupt cash payments from defendant JOSEPH BARRY to Robert C. Janiszewski
c.	On or about February 29, 2000	Hudson County, New Jersey	Defendants JOSEPH BARRY and PAUL J. BYRNE discussed the availability of EDI grant funds and the status of additional EDI funds
d.	On or about February 29, 2000	Hudson County, New Jersey	Defendant PAUL J. BYRNE negotiated a \$20,000 check from Applied Housing Associates as a corrupt payment and in compensation in part for BYRNE's services as an intermediary in passing corrupt cash payments from defendant JOSEPH BARRY to Robert C. Janiszewski
e.	On or about January 23, 2001	Jersey City, New Jersey	Defendant JOSEPH BARRY gave to Robert C. Janiszewski a corrupt cash payment totaling \$30,000

Act	Date	Location	Overt Act
f.	On or about February 6, 2001	Hudson County, New Jersey	Defendant JOSEPH BARRY discussed with Janiszewski corrupt payments made to Janiszewski and to defendant PAUL J. BYRNE
g.	On or about March 16, 2001	Hoboken, New Jersey	Defendant JOSEPH BARRY gave to Janiszewski a corrupt cash payment totaling \$15,000, and discussed with Janiszewski additional bribe payments in connection with the 15th Street Project and/or Caven Point Project, which had not yet been assigned a specific bribe amount
h.	On or about April 12, 2001	Hudson County, New Jersey	Defendant JOSEPH BARRY gave to Janiszewski a corrupt cash payment totaling \$14,900
i.	On or about April 27, 2001	Hudson County, New Jersey	Defendant PAUL J. BYRNE negotiated a \$12,000 check from Applied Housing Mgmt Co. Inc., as a corrupt payment and in compensation in part for BYRNE's services as an intermediary in passing corrupt cash payments from defendant JOSEPH BARRY to Robert C. Janiszewski
j.	On or about July 18, 2001	Hoboken, New Jersey	Defendant JOSEPH BARRY gave to Janiszewski a corrupt cash payment totaling \$25,000

Act	Date	Location	Overt Act
k.	On or about August 2, 2001	Jersey City, New Jersey	Defendant PAUL J. BYRNE advised Janiszewski that defendant JOSEPH BARRY owed him money and likely had "shorted" BYRNE and Janiszewski additional money

In violation of Title 18, United States Code, Section 371.

**COUNT SEVEN**

**(Offering and Giving \$30,000 to Influence and Reward)**

1. Paragraphs 1 through 3 and 7(h) of Counts One through Five, and Paragraph 2 of Count Six are realleged and incorporated as if fully set forth herein.

2. On or about January 23, 2001, in Hudson County, in the District of New Jersey, and elsewhere, defendant

JOSEPH BARRY

did knowingly, willfully and corruptly give and offer to Robert C. Janiszewski, then County Executive, a cash payment totaling \$30,000, intending to influence and reward Janiszewski in connection with a business, transaction and series of transactions of the Hudson County government involving a thing of value of \$5,000 or more in a matter implicating a federal interest.

In violation of Title 18, United States Code, Sections 666(a)(2) and 2.

**COUNT EIGHT**

**(Offering and Giving \$15,000 to Influence and Reward)**

1. Paragraphs 1 through 3 and 7(j) of Counts One through Five, and Paragraph 2 of Count Six are realleged and incorporated as if fully set forth herein.

2. On or about March 16, 2001, in Hudson County, in the District of New Jersey, and elsewhere, defendant

JOSEPH BARRY

did knowingly, willfully and corruptly give and offer to Robert C. Janiszewski, then County Executive, a cash payment totaling \$15,000, intending to influence and reward Janiszewski in connection with a business, transaction and series of transactions of the Hudson County government involving a thing of value of \$5,000 or more in a matter implicating a federal interest.

In violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNT NINE

(Offering and Giving \$14,900 to Influence and Reward)

1. Paragraphs 1 through 3 and 7(1) of Counts One through Five, and Paragraph 2 of Count Six are realleged and incorporated as if fully set forth herein.

2. On or about April 12, 2001, in Hudson County, in the District of New Jersey, and elsewhere, defendant

JOSEPH BARRY

did knowingly, willfully and corruptly give and offer to Robert C. Janiszweski, then County Executive, a cash payment totaling \$14,900, intending to influence and reward Janiszewski in connection with a business, transaction and series of transactions of the Hudson County government involving a thing of value of \$5,000 or more in a matter implicating a federal interest.

In violation of Title 18, United States Code, Sections 666(a)(2) and 2.



COUNT TEN

(Offering and Giving \$25,000 to Influence and Reward)

1. Paragraphs 1 through 3 and 7(m) of Counts One through Five, and Paragraph 2 of Count Six are realleged and incorporated as if fully set forth herein.

2. On or about July 18, 2001, in Hudson County, in the District of New Jersey, and elsewhere, defendant

JOSEPH BARRY

did knowingly, willfully and corruptly give and offer to Robert C. Janiszewski, then County Executive, a cash payment totaling \$25,000, intending to influence and reward Janiszewski in connection with a business, transaction and series of transactions of the Hudson County government involving a thing of value of \$5,000 or more in a matter implicating a federal interest.

In violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNTS ELEVEN TO THIRTEEN

(Attempted Extortion Under Color of Official Right)

1. Paragraphs 1(b) and (c) of Counts One through Five are realleged and incorporated as if fully set forth herein.

2. At all times relevant to Counts Eleven through Thirteen of this Indictment:

(a) Gerard Lisa was a certified public accountant and the principal owner and operator of an accounting firm, Lisa & Associates, P.C. (hereinafter, "Lisa & Associates"), based in Hoboken, New Jersey. Lisa & Associates provided accounting services to various local government entities including, among others, the Hudson County government, the City of Hoboken government, the Hoboken Parking Authority, and the Hoboken Board of Education. Lisa took over sole ownership and day-to-day management of Lisa & Associates in or about 1997.

(b) Robert C. Janiszewski, while serving as the County Executive, had the power to recommend particular vendors to the Hudson County Board of Chosen Freeholders (hereinafter, the "Freeholders"), the legislative branch of the Hudson County government. When authorized by the Freeholders, Janiszewski had the authority to negotiate and enter into contracts with vendors on behalf of the Hudson County government.

3. Beginning in or about 1994, Lisa & Associates obtained contracts to provide accounting services to the Hudson County

government. The accounting services provided by Lisa & Associates affected interstate commerce. The primary Hudson County contract obtained by Lisa & Associates had a maximum annual value of approximately \$270,000, and was up for renewal periodically by Hudson County and the County Executive.

4. Robert C. Janiszewski's cooperation with federal law enforcement authorities included, among other things, participating in audio- and video-recorded meetings with defendant PAUL J. BYRNE and Gerard Lisa.

#### The Extortion Scheme

5. From in or about 1997 to in or about August 2001, defendant PAUL J. BYRNE participated in a scheme to extort corrupt cash payments from Gerard Lisa in connection with his Hudson County contract by soliciting corrupt cash payments from Lisa and (a) passing a portion of the corrupt cash payments to Robert C. Janiszewski in exchange for Janiszewski's official efforts to assist Lisa & Associates in obtaining and maintaining auditing contracts with the Hudson County government and (b) keeping a portion of the corrupt cash payments for himself as compensation for his role as an intermediary in the scheme. Defendant PAUL J. BYRNE also solicited and accepted corrupt payments from Lisa by having Lisa directly pay for certain of his personal expenses.

6. It was a part of the extortion scheme that:

(a) Beginning in or about 1997 and continuing each year through 2001, defendant PAUL J. BYRNE instructed Gerard Lisa to make corrupt payments to BYRNE to pass on, in part, to Robert C. Janiszewski. Defendant BYRNE passed on a portion of these corrupt payments to Janiszewski in connection with the renewal of Lisa & Associates' Hudson County auditing contracts.

(b) On or about December 3, 2000, with the annual renewal of Lisa & Associates' Hudson County contract coming up in early 2001, defendant PAUL J. BYRNE and Robert C. Janiszewski had a recorded meeting at a Jersey City restaurant during which BYRNE gave Janiszewski an envelope containing \$2,000 in cash, and stated, "Mr. Lisa sends his regards." Defendant BYRNE also told Janiszewski that Gerard Lisa would provide corrupt payments totaling \$30,000 in the form of cash and campaign contributions wherever Janiszewski and/or BYRNE directed. Defendant BYRNE also stated that the split of cash to campaign contributions could be either \$10,000 in cash and \$20,000 in contributions or \$15,000 in cash and \$15,000 in contributions and that BYRNE favored the split of \$15,000 in cash and \$15,000 in contributions. During that meeting, defendant BYRNE pressed Janiszewski to support an approximate \$20,000 increase in the value of Lisa & Associates' Hudson County contract.

(c) On or about January 12, 2001, defendant PAUL J. BYRNE, Gerard Lisa and Robert C. Janiszewski met at a Jersey City

restaurant. During that recorded meeting, in the presence of Gerard Lisa, defendant BYRNE informed Janiszewski that Lisa would provide \$20,000 in campaign contributions wherever BYRNE and Janiszewski directed. In a discussion outside the presence of Lisa, defendant BYRNE informed Janiszewski that if Janiszewski supported the proposed increase in value for Lisa & Associates' Hudson County contract, then BYRNE and Janiszewski each would receive an additional \$8,000 in cash from Lisa.

(d) On or about January 25, 2001, during a recorded meeting in Hudson County, New Jersey, defendant PAUL J. BYRNE gave Robert C. Janiszewski an envelope containing \$1,650 in cash, stating, "Lisa says hello." Defendant BYRNE confirmed that both he and Janiszewski would be receiving additional corrupt cash payments from Gerard Lisa in the near future.

(e) During a recorded meeting in Hudson County, New Jersey on or about February 8, 2001, at which defendant PAUL J. BYRNE was not present, Gerard Lisa told Robert C. Janiszewski that prior to BYRNE's last payment to Janiszewski, i.e., the \$1,650 cash payment on or about January 25, 2001 as set forth in the preceding paragraph, Gerard Lisa had provided BYRNE with \$8,000 in cash. Lisa told Janiszewski that he had provided defendant BYRNE with approximately \$15,000 annually since 1997 in connection with the renewal of Lisa & Associates' Hudson County auditing contract.

(f) On or about March 2, 2001, during an audio- and video-recorded meeting in Robert C. Janiszewski's vehicle, defendant PAUL J. BYRNE gave Janiszewski an envelope containing \$2,500 in cash which BYRNE stated was from Gerard Lisa.

(g) During a recorded meeting in Hudson County, New Jersey on or about March 13, 2001, outside the presence of defendant PAUL J. BYRNE, Gerard Lisa told Robert C. Janiszewski that shortly after Lisa's February 8, 2001 meeting with Janiszewski, Lisa had provided defendant BYRNE with an additional \$8,000 in cash.

The Charge

7. In or about the dates specified below, defendant

PAUL J. BYRNE

did knowingly and willfully attempt to obstruct, delay and affect interstate commerce by extortion, that is, aiding and abetting in obtaining money and things of value from Gerard Lisa with consent, under color of official right:

Count	Date	Location	Description
Eleven	In or about December, 2000	Hudson County, New Jersey	Defendant PAUL J. BYRNE accepted a corrupt cash payment from Gerard Lisa and, in turn, passed approximately \$2,000 of the corrupt cash payment to Robert C. Janiszewski

Count	Date	Location	Description
Twelve	In or about January, 2001	Hudson County, New Jersey	Defendant PAUL J. BYRNE accepted a corrupt cash payment from Gerard Lisa and, in turn, passed approximately \$1,650 of the corrupt cash payment to Robert C. Janiszewski
Thirteen	In or about March, 2001	Hudson County, New Jersey	Defendant PAUL J. BYRNE accepted a corrupt cash payment from Gerard Lisa and, in turn, passed approximately \$2,500 of the corrupt cash payment to Robert C. Janiszewski

In violation of Title 18, United States Code, Sections 1951(a) and 2.

**COUNTS FOURTEEN TO SIXTEEN**

**(Paul J. Byrne's Income Tax Evasion for Years 1999, 2000 and 2001)**

1. Paragraphs 1 through 3 and 7 of Counts One through Five and Paragraphs 2, 3 and 6 of Counts Eleven through Thirteen are realleged and incorporated as if fully set forth herein.

2. At all times relevant to Counts Fourteen through Sixteen of this Indictment:

(a) PJB Group, Inc. (hereinafter, "PJB Group") was a corporation formed by defendant PAUL J. BYRNE in or around December 1997. Defendant BYRNE was the sole owner and only known employee of PJB Group, the address for which was BYRNE's personal residence. Defendant BYRNE represented to other individuals that PJB Group offered consulting services to vendors seeking to obtain or retain contracts with the Hudson County government (hereinafter, "Hudson County vendors").

(b) Defendant PAUL J. BYRNE took the following affirmative acts to evade the assessment and payment of federal income taxes, among others:

(i) Defendant PAUL J. BYRNE established and did business under PJB Group, thereby avoiding the issuance of Internal Revenue Service Forms 1099 in connection with income earned by PJB Group. During the tax years 1999, 2000 and 2001, PJB Group earned income totaling approximately \$857,500 from three Hudson County



vendors, for which income defendant BYRNE was not issued any Forms 1099.

(ii) During the tax years 1999, 2000 and 2001, defendant BYRNE diverted approximately \$843,000 from the PJB Group corporate bank account to pay for personal expenditures.

(iii) Defendant PAUL J. BYRNE filed and caused the filing of Extensions of Time to File Personal Income Tax Returns, Forms 4868, for the tax years 1999 and 2000 which forms reflected a zero tax liability.

(iv) Defendant PAUL J. BYRNE maintained foreign bank accounts in Canada and Spain and transferred substantial funds from the PJB Group corporate account and his personal bank account into foreign bank accounts.

3. During the tax years 1999, 2000 and 2001, defendant PAUL J. BYRNE earned gross income totaling approximately \$912,286 from various sources, including, among other sources, dividend income from PJB Group, capital gain income, and dividend and interest income from brokerage and bank accounts in BYRNE's name.

4. During the tax years 1999, 2000 and 2001, defendant PAUL J. BYRNE received taxable income in the form of corrupt payments, in cash and the payment of personal expenses, from defendant JOSEPH BARRY and Gerard Lisa, totaling approximately \$64,403, as set forth in Counts One through Five and Eleven through Thirteen of this Indictment. Also during this time period,

defendant BYRNE received approximately \$77,000 in the form of corporate checks made payable to PJB Group, from companies owned and/or controlled by defendant BARRY, including Shipyard Associates, Applied Housing Associates and Applied Housing Management. As set forth in Counts One through Five of this Indictment, defendant BARRY issued these payments to defendant BYRNE as corrupt payments and in compensation in part for BYRNE's services as an intermediary in passing money from defendant BARRY to Robert C. Janiszewski.

5. Defendant PAUL J. BYRNE failed to file United States Individual Income Tax Returns, Forms 1040, for the tax years 1999, 2000 and 2001. Defendant BYRNE has never filed a United States Corporation Income Tax Return, Form 1120, on behalf of PJB Group.

6. On or about the dates specified below, in Hudson County, in the District of New Jersey, and elsewhere, defendant

PAUL J. BYRNE

knowingly and willfully did attempt to evade and defeat a substantial part of income tax due and owing by him to the United States, as set forth below:

Count	Tax Year	Approximate Taxable Income	Approximate Tax Due and Owing
Fourteen	1999	\$399,099	\$136,116
Fifteen	2000	\$417,988	\$143,194
Sixteen	2001	\$75,799	\$17,764

In violation of Title 26, United States Code, Section  
7201.

A TRUE BILL

\_\_\_\_\_  
FOREPERSON

\_\_\_\_\_  
CHRISTOPHER J. CHRISTIE  
United States Attorney